

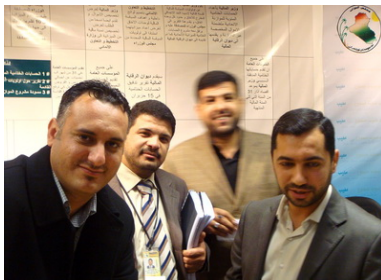


SUCCESS STORY

Improving Government Accountability

Iraq's Legislature Raises the Standard of Fiscal Transparency

USAID trained Members of Parliament and key staff in the Iraqi Council of Representatives on the adoption of International Accounting Standards.



Participants at USAID's six-day seminar on International Accounting Standards at the Iraqi Council of Representatives.

Establishing accountability and transparency in government is vital to the developing democracy of Iraq. Citizens of the new Iraq are beginning to demand higher standards from those who represent them in the government. Moreover, the Iraqi government must subscribe to the benchmarks of the world financial community in order to meet current obligations and attract future international investment and donor assistance.

The Iraq Financial Management Law requires all government agencies to prepare and present financial statements in accordance with International Accounting Standards (IAS). As part of the ongoing momentum of reform in Iraq, members of the Iraqi legislature recognized the legal necessity to comply with these standards.

Representatives of USAID's Legislative Strengthening Program (LSP) met with the Council of Representative's (COR) Financial Directorate to discuss how USAID could help train members of parliament and key staff in understanding and incorporating IAS into the work of the COR.

On December 21, 2008, 25 legislators and senior staff began a six-day seminar on "International Accounting Standards for Government," jointly organized by the COR Financial Directorate and the LSP. The event was part of the on-going "Budget Execution and Oversight" LSP seminar series.

Seminar participants were presented with reporting methods used by other countries under the International Accounting Standards, and then contrasted them with existing Iraqi accounting standards. LSP trainers explained how to apply IAS within the framework of typical reports currently required by the Iraqi Ministry of Finance. In one exercise, COR legislators and staff learned how to prepare and present transparent financial statements.

After the seminar, a senior staff member of the COR Financial Directorate remarked, "Not only have we acquired an understanding of the fundamentals of International Accounting Standards and how to incorporate these compliance mechanisms into our work, but now we can help the Iraqi Parliament administer the money of the Iraqi people more effectively."

Parliamentarians and their staff will apply the new skills as they oversee and interact with the executive branch, for example, in the current push to approve the national budget. With USAID/LSP assistance, the legislature is raising the standard for government accountability and fiscal transparency for the new Iraq.

Ultimately, by providing the CoR with the necessary training and tools required to coordinate and solicit donors for funds, this program will enable the CoR to assume the critical task of identifying and directing their own support.